

HOUSE BILL REPORT

ESHB 1512

As Passed House:

March 12, 2009

Title: An act relating to funding rail freight service through grants.

Brief Description: Authorizing the funding of rail freight service through grants.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Haler, Roach and Klippert).

Brief History:

Committee Activity:

Transportation: 2/4/09, 2/5/09 [DPS].

Floor Activity

Passed House: 3/12/09, 96-0.

Brief Summary of Engrossed Substitute Bill

- Allows the Department of Transportation to provide Emergent Freight Rail Assistance grants to privately-owned railroads or for improvements on privately-owned railroads.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Clibborn, Chair; Liias, Vice Chair; Roach, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Armstrong, Campbell, Cox, Driscoll, Eddy, Ericksen, Finn, Flannigan, Johnson, Klippert, Kristiansen, Moeller, Morris, Sells, Shea, Simpson, Springer, Takko, Upthegrove, Wallace, Williams and Wood.

Staff: Teresa Berntsen (786-7301)

Background:

The Department of Transportation (DOT) administers a rail grant program referred to as the Emergent Freight Rail Assistance program. The DOT periodically issues a call for projects

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and analyzes grant applications. The 2008 state Transportation Budget requires the DOT to use a cost-benefit analysis to evaluate project applications in order to assess public benefit.

The DOT's Emergent Freight Rail Assistance program is funded through the Essential Rail Assistance Account. State law stipulates that grants from the Essential Rail Assistance Account provided to privately-owned railroads or for improvements on privately-owned railroads must be given in the form of loans. The Washington Constitution, Article 8, Section 5 prohibits the lending of state credit.

Summary of Engrossed Substitute Bill:

The DOT is allowed to provide grants from the Essential Rail Assistance Account to privately-owned railroads or for improvements on privately-owned railroads, so long as:

- the property meets the eligibility criteria for state assistance under RCW 47.76.240;
- the contractual consideration supporting the grant consists of defined benefits to the public with a value equal to or greater than the grant amount; and
- grant recipients provide the state a contingent interest adequate to ensure that the identified public benefits are realized.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Solving local transportation issues sometimes involves making improvements to private property that benefit the public. This bill will provide a tool for cities and counties across the state to address transportation issues that will help economic development.

(Opposed) None.

Persons Testifying: Representative Haler, prime sponsor; Pete Rogalsky, City of Richland; and Carol Moser.

Persons Signed In To Testify But Not Testifying: None.